

§ 3507.19

(f) Whether there is a reasonable prospect of success in developing a profitable mine.

§ 3507.19 Under what circumstances will BLM reject my application?

(a) BLM will reject your application for a preference right lease if:

(1) You did not discover a valuable deposit of mineral(s) covered by the prospecting permit;

(2) You did not submit requested information in a timely manner;

(3) You did not otherwise comply with the requirements of this subpart; or

(4) In the case of sodium, potassium and sulphur, if BLM determines that the lands are not chiefly valuable for the mineral commodity specified in the permit.

(b) If you applied for a lease for minerals BLM administers under the authority of Reorganization Plan No. 3 of 1946, BLM may also reject your application if we determine that mining is not the preferred use of the lands in the application. In making this determination, we will consider:

(1) The land use plan;

(2) Unsuitability criteria under subpart 1610 of this title;

(3) Any environmental impacts; and

(4) The purposes of the statute under which the lands were acquired.

(c) We will also reject your application if the surface managing agency does not consent to the lease.

§ 3507.20 May I appeal BLM's rejection of my preference right lease?

Yes. You have a right to appeal under the procedures in parts 4 and 1840 of this title.

Subpart 3508—Competitive Lease Applications

§ 3508.11 What lands are available for competitive leasing?

BLM may issue a competitive lease on unleased lands where we know that a valuable mineral deposit exists. In such areas, before issuing a lease we may issue you an exploration license, but not a prospecting permit. However, BLM may offer competitive leases for lands where no prospecting or exploratory work is needed to determine the

43 CFR Ch. II (10–1–08 Edition)

existence or workability of a valuable mineral deposit. In addition, we may offer competitive leases for asphalt on any lands available for asphalt leasing, whether or not we know that a valuable mineral deposit exists.

§ 3508.12 How do I get a competitive lease?

(a) Notify BLM of areas in which you are interested. We may also designate certain lands for competitive leasing.

(b) Before BLM publishes a notice of lease sale, pay a processing fee on a case-by-case basis as described in § 3000.11 of this chapter as modified by §§ 3508.14 and 3508.21. If someone else is the successful bidder, BLM will refund you the amount you paid under this paragraph. If there is no successful bidder, you remain responsible for all processing fees.

(c) After determining that the lands are available for leasing, we will publish a notice of lease sale containing all significant information (see § 3508.14 of this part).

(d) We will award a competitive lease through sale to the qualified bidder who offers the highest acceptable bonus bid. In the event of a tie, BLM will determine a fair method for choosing the successful bid.

[64 FR 53536, Oct. 1, 1999, as amended at 70 FR 58877, Oct. 7, 2005]

§ 3508.14 How will BLM publish the notice of lease sale?

(a) Once we determine which lands are available for leasing, we will publish a notice of lease sale at least once a week for three consecutive weeks in a newspaper of general circulation in the area where the lands are situated. We will also post the notice of lease sale for 30 days in the public room of the BLM office which administers the lands.

(b) The notice will include:

(1) The time and place of sale;

(2) The bidding method, including opening and closing dates for bidding;

(3) A description of the tract BLM is offering;

(4) A description of the mineral deposit BLM is offering;

(5) The minimum bid we will consider; and

Bureau of Land Management, Interior

§ 3509.10

(6) Information on where you can get a copy of the proposed lease and a detailed statement of the lease sale terms and conditions.

(7) If the tract being offered for competitive sale was nominated by an applicant, a statement of the total cost recovery fee paid to BLM by the applicant under § 3508.12 up to 30 days before the competitive lease sale.

[64 FR 53536, Oct. 1, 1999, as amended at 70 FR 58877, Oct. 7, 2005]

§ 3508.15 What information will the detailed statement of the lease sale terms and conditions include?

(a) The proposed lease terms and conditions, including the rental, royalty rates, bond amount, and any special stipulations for the particular tract;

(b) An explanation of how you may submit your bid;

(c) Notification that you must accompany your bid with your qualifications statement (see subpart 3502 of this part) and a deposit of one-fifth of your bid amount;

(d) Notification that if you are the successful bidder, you must pay your proportionate share of the total publication cost for the sale notice before we will issue the lease. Your share is based on the number of tracts you bid on successfully, divided by the total number of tracts offered for sale;

(e) A warning concerning 18 U.S.C. 1860 which provides criminal penalties for manipulating the bidding process;

(f) A statement that the Secretary reserves the right to reject any and all bids, and to offer the lease to the next qualified bidder, if the successful bidder does not get the lease for any reason; and

(g) Any other information we deem appropriate.

§ 3508.20 How will BLM conduct the sale and handle bids?

We will open and announce all bids at the time and date specified in the notice of lease sale, but we will not accept or reject bids at that time. We must receive your bid by the deadline in the sale notice or we will not consider it. You may withdraw or modify your bid before the time specified in the notice of sale.

§ 3508.21 What happens if I am the successful bidder?

(a) If you are the highest qualified bidder and we determine that your bid meets or exceeds fair market value, we will send you copies of the lease on the form attached to the detailed statement. Within the time we specify you must:

(1) Sign and return the lease form;

(2) Pay the balance of the bonus bid;

(3) Pay the first year's rental;

(4) Pay the publication costs;

(5) Furnish the required lease bond;

(6) If you were not the applicant, pay the cost recovery fee specified in the lease sale notice; and

(7) Pay all processing costs BLM incurs after the date of the sale notice.

(b) See § 3504.12 of this part for payment procedures.

[64 FR 53536, Oct. 1, 1999; 65 FR 11476, Mar. 3, 2000; 70 FR 58877, Oct. 7, 2005]

§ 3508.22 What happens if BLM rejects my bid?

(a) If your bid is the high bid and we reject it because you did not sign the lease form and pay the balance of the bonus bid, or otherwise comply with this subpart, you forfeit to the United States your deposit of one-fifth of the bonus bid amount.

(b) If we must reject your high bid for reasons beyond your control, we will return your bid deposit.

(c) If we reject your bid because it is not the high bid, we will return your bid deposit.

Subpart 3509—Fractional and Future Interest Lease Applications

§ 3509.10 What are future interest leases?

BLM issues noncompetitive future interest leases to persons who hold present mineral interests that will revert to the Federal Government at some future date. Future interest leases allow the present interest holders to continue using their present mineral right once the Federal Government acquires it.